GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:830
ANSWERED ON:22.11.2001
PROPOSAL TO ALLOCATE FUNDS FOR DEVELOPMENT OF NPGC
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Will the Minister of POWER be pleased to state:

(a) whether the Government are proposing for allocating funds for development of National Power Grid Corporation;

(b) if so, the details thereof; and

(c) the amount to be provided for this purpose?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : Power Grid Corporation of India Ltd. was established in 1989 with themission to establish and operate Regional and National Power Grids to facilitate transferof power within and across the regions with reliability, security and economy on sound commercial principles. POWERGRID, as Central Transmission Utilityis responsible for undertaking transmission of energy through inter-state transmission system, evacuation of power from all Central Power Stations and delivery of allocated power toconstituent states.

Development of transmission system to form National Power Grid is a continuousprocess. At present, the Indian Power system is divided into five Regional grids and within each region, strong inter-connection and well developed Regional grids are in position. In order to extend the benefit of generation resources all over the country and to transfer surplus power in one region to a power deficit region, interconnections of regions have been planned.

POWERGRID has already chalked out its plan to integrate all the regions throughHVDC stations /bi-pole and 765 KV AC rings to facilitate the transfer of power between the regions without any constraint. The HVDC inter regional links between western and northern, western and southern and eastern and southern regions are already existing and HVDC link between eastern and northern region is under construction. For further strengthening of the National Grid, high capacity HVDC links as wellas AC links have been planned to be commissioned along with Mega Projects. With these interconnections, the total inter-regional power exchange capability would be increased to about 23,400 MW by 2006-07. In the ultimate phase, a strong synchronous National Grid has been envisaged to evacuate the power from major generating resources. This would involve development of a high capacity transmission corridor in chicken-neck area and establishment of a ring of 765 KV lines interconnecting Eastern,Western and Northern regions. Inter-regional transmission capacity of the proposed ultimate National Grid would increase to about 30,000 MW by 2012.

POWERGRID has planned to invest about Rs. 74,000 crores during Xthand XIthPlans for implementation of projects including those required for development of a strong and vibrant National Grid capable of transferring 30,000 MW power by the year 2012.Out of this amount, POWERGRID proposes to invest around Rs. 53,000 crore on its ownand the balance amount is envisaged to be mobilised through private investment. In order to meet the massive investment plan, POWERGRID has been raising loans from themarket and international financial institutions like Asian Development Bank (ADB) andWorld Bank from time to time. ADB has recently approved a direct loan of US $ 250 million to POWERGRID for its grid strengthening,inter-regional and generation linked transmission projects. The loan has become effective from 10th January, 2001. POWERGRID has also signed an agreement with World Bank on 13th June 2001 for a loan of US U$ 450 million for implementation of its various transmission schemes.